

## LONG-TERM OBJECTIVE 1.6

**Increase the effectiveness of Federal agencies to provide opportunities for small business.**

The SBA works with Federal agencies to help provide contracting opportunities, technical assistance, and trade assistance to small businesses. Through the Office of Government Contracting and Business Development and the Office of Capital Access, the Agency works to increase the effectiveness of other Federal agencies in providing these opportunities to entrepreneurs.

The expected outcomes for the SBA assistance to other Federal agencies are:

- 1.6.1** By 2008, small businesses, assisted by Federal agencies, benefiting from Federal contracts or international assistance, will exceed the national average survivability rate.
- 1.6.2** By 2008, small businesses, assisted by Federal agencies, benefiting from Federal contracts or international assistance, will exceed the national average job creation rate.
- 1.6.3** By 2008, small businesses, assisted by Federal agencies, benefiting from Federal contracts or international assistance, will exceed the national average revenue growth rate.

Targets for each of these outcomes will be established as the SBA's program-evaluation strategy progresses. To set outcomes in comparison to national averages is ambitious, but it must be attempted in order to assess the full impact of the Agency's initiatives. Wherever possible, intermediate outcomes have been established.



## SBA Trade Assistance

### Performance and Cost to Achieve Results

By the end of FY 2005, the SBA, through its Office of International Trade (OIT), will have made significant progress in its objective of improving the economic environment for small businesses. In FY 2005, SBA participated in 16 interagency working groups. These interagency working groups are important for two main reasons. First, by participating in interagency working groups, SBA is able to raise awareness of small business issues on the part of other agencies and better protect the interests of small business. SBA's OIT initiated the SME Congress of the Americas, a hemisphere-wide network of small business service providers working to promote the participation and competitiveness of small business in international trade. Through continued involvement in interagency summit follow-up, SBA was successful in reaching interagency agreement on recommending that the promotion of small business trade be included in the dialog for the November 2005 Summit.

This is one example of how SBA's involvement in the interagency process results in the inclusion of favorable policies, thereby improving the environment and helping to increase the effectiveness of Federal agencies to provide opportunities for small business.

In FY 2005, OIT represented SBA on a working group for the President's Export Council, and the Trade Promotion Coordinating Committee (TPCC). Through active participation on the TPCC, SBA contributed to the drafting of the National Export Strategy. SBA also provided a permanent liaison for small business issues to the U.S. Trade Representative.

SBA served on interagency trade capacity-building working groups led by the Office of the U.S. Trade Representative to support negotiations for the U.S. Southern Africa Free Trade Agreement, Central America Free Trade Agreement, the Thailand Free Trade Agreement, and negotiations with the Andean Pact countries of South America.

The table that follows contains program output-measure values, total costs, and unit costs for indicators selected as the basis for program efficiency measurement.

Performance Statement							
Program Level Trade Assistance							
<i>Strategic Goal 1. Improve the economic environment for small businesses</i>							
<i>Long Term Objective 1.6: Increase the effectiveness of Federal agencies to provide opportunities for small business</i>							
SBA Program Level – Trade Assistance							
Program Annual Output Measures							
SBA Programs Output Measures		FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Goal	FY 2005 Actual	FY 2005 % Goal Variance
<b>Capital Access</b>							
International Trade	Participation in interagency working groups (number)	N/A	N/A	9	9	16	78% <b>B</b>
	Favorable policies inclusion in International Trade (number)	N/A	N/A	5	5	5	<b>G</b> 0%
<b>Total Receiving Trade Assistance</b>		<b>N/A</b>	<b>N/A</b>	<b>9</b>	<b>9</b>	<b>16</b>	<b>Y</b> <b>78%</b>

## SBA Technical Assistance

### Performance and Cost to Achieve Results

Technical assistance includes one-on-one counseling for small businesses seeking contracts, training for groups of small businesses on various aspects of Federal contracting, and assistance provided through business matchmaking. During FY 2005, procurement center representative (PCRs) provided technical assistance to more than 40,000 small businesses. Additionally, more than 5,000 small businesses attended Business Matchmaking workshops.

The table that follows contains program output-measure values, total costs, and unit costs for indicators selected as the basis for program efficiency measurement.

Performance Statement							
Program Level Technical Assistance							
<i>Strategic Goal 1. Improve the economic environment for small businesses.</i>							
<i>Long Term Objective 1.6: Increase the effectiveness of Federal agencies to provide opportunities for small business</i>							
SBA Program Level – Technical Assistance							
Program Annual Output Measures							
SBA Programs Output Measures		FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Goal	FY 2005 Actual	FY 2005 % Goal Variance
Gov Contracting / Business Development							
Prime Contracting Assistance	Small businesses trained (number)	N/A	N/A	16,896	10,500	19,894	89.5% <b>B</b>
	Small businesses counseled (number)	N/A	N/A	16,946	10,500	30,618	191.6% <b>B</b>
Business Matchmaking	Small businesses trained & counseled (number)	N/A	N/A	4,912	5,403	6,227	15.3% <b>B</b>
<b>Total Receiving Technical Assistance</b>		<b>N/A</b>	<b>N/A</b>	<b>38,754</b>	<b>26,403</b>	<b>56,739</b>	<b>114.9%</b>

## SBA Procurement Assistance

### Performance and Cost to Achieve Results

The strength of our Nation's economy is fortified when competitive and innovative small businesses are able to participate in the Federal marketplace and provide solutions to the many challenges facing the Federal government. By statute, the goal of the Federal government is to award 23% of total prime contracts to small businesses. The SBA administers a small business goal-setting program across all Federal agencies to assist in the achievement of this government-wide goal. In FY 2004 (the most recent fiscal year for which data is available) 23% of all prime contract dollars, a total of \$69.2 billion went to small businesses, exceeding the total dollars awarded to small business in FY 2003 by more than \$3 billion.

The SBA implemented several strategies in FY 2005 to enhance the effectiveness of Federal agencies in opening procurement opportunities for small business. The SBA rebuilt its PCR workforce by hiring six PCRs for a total of 58. It also continued to focus resources on large procuring activities and high-impact procurement.

In FY 2005, PCRs reviewed more than 45,000 individual procurement actions and challenged the proposed acquisitions strategies for more than \$18 million worth of these actions. As a result, PCRs successfully obtained contract awards to small businesses valued at more than \$11 billion.

In FY 2005, the SBA further strengthened controls to better monitor the performance of Federal agencies and increase Federal procurement opportunities for small businesses. PCRs revalidated existing plans of operations for each of the buying activities they cover. The Agency also sent letters instructing the heads of the contracting activities to submit to the PCR (or to the SBA Area Director, if no PCR is available) for review and approval any procurement that incorporates contract or orders formally performed by small businesses into a larger order placed against a multiple award contract vehicle. To ensure Federal agencies were in compliance with small business programs and policies, PCRs conducted surveillance reviews at six Federal buying activities. In FY 2005, SBA restructured the surveillance review process to focus more on identifying and removing barriers to small business goal achievement and conducted 19 educational forums to train acquisition personnel at select buying activities on surveillance review findings, including contract bundling.

Additionally, SBA took several steps to identify and mitigate statutory and regulatory barriers to small business contracting. After completing a review of Sections 15 and 24 of the Small Business Act and the enabling regulations, the SBA published the final subcontracting “good faith” rule to provide agencies with guidance on how to determine if a large prime contractor has made a good-faith effort to comply with its subcontracting plan. If prime contractors are held more accountable for complying with subcontracting plans, this will improve the economic environment for small business through increased subcontracting opportunities.

In an effort to make size standards easier for small businesses to understand and Federal agencies to comply with, SBA presided over 11 public size hearings across the country to provide interested parties an opportunity to meet and discuss ideas with SBA officials. SBA also implemented a policy that requires a business acquired by another that novates the contract to the acquiring business to recertify its small business size status.

During FY 2005, SBA took action to enhance the role of small businesses, including small manufacturers, in providing innovative solutions to the challenges facing Federal agencies. SBA continued to increase awareness among small businesses of the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs through training with technology associations, and other SBA resource partners.

In FY 2005, SBA continued advocacy efforts to increase Federal contract opportunities for women-owned and veteran-owned small businesses. SBA established an Office of Federal Contract Assistance for Veteran Business Owners to provide veterans with a single point of contact to address their questions and concerns and clarify procurement opportunities specifically designated for them. SBA also developed standardized training materials on the procurement program for service-disabled veterans and launched a training campaign.

In FY 2005, SBA held nine Business Matchmaking events across the country. These helped to increase small business access to Federal procurement opportunities by matching Federal, State and county buying

personnel and private-sector contractors with small businesses. Over the life of the initiative, business matchmaking has generated more than 35,000 one-on-one appointments between small businesses and buying personnel that have resulted in contract awards to small businesses.

During FY 2005, SBA reduced from 75 days to 45 days the time required to process applications for certification of firms as “small disadvantaged businesses,” and increased participation by 950 firms.

The table that follows contains program output-measure values, total costs, and unit costs for indicators selected as the basis for program efficiency measurement.

<b>Performance Statement</b>							
<b>Program Level Procurement Assistance</b>							
<i>Strategic Goal 1. Improve the economic environment for small businesses</i>							
<i>Long Term Objective 1.6: Increase the effectiveness of Federal agencies to provide opportunities for small business</i>							
<b>SBA Program Level – Procurement Assistance</b>							
Program Annual Output Measures							
<b>SBA Programs Output Measures</b>		<b>FY 2002 Actual</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Goal</b>	<b>FY 2005 Actual</b>	<b>FY 2005 % Goal Variance</b>
<b>Government Contracting / Business Development</b>							
Prime Contracting Assistance	Increase number of requirements reviewed for potential set asides (percentage)	N/A	N/A	N/A	5.0%	23.0%	B 360.0%
SDB	Small businesses certified (number)	N/A	N/A	856	950	968	G 1.9%
Business Linc <sup>a</sup>	Clients served (number)	9,000	3,094	5,891	N/A	N/A	N/A
Business Matchmaking	Small businesses assisted via pre-scheduled selling meetings (number)	400	7,971	13,422	14,764	14,806	G 0.3%
<b>Total Receiving Procurement Assistance</b>		<b>9,400</b>	<b>11,065</b>	<b>20,169</b>	<b>15,714</b>	<b>15,774</b>	<b>0.4%</b>
<b>SBA Programs Costs</b>		<b>FY 2002 Actual</b>	<b>FY 2003 Actual</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Goal</b>	<b>FY 2005 Actual</b>	<b>FY 2005 % Goal Variance</b>
<b>Government Contracting / Business Development</b>							
SDB	Program Cost (\$000)	\$4,003	\$4,750	\$5,108	\$2,676	\$1,614	-39.7%
Prime Contracting	Program Cost (\$000)	\$18,892	\$16,507	\$23,158	\$15,873	\$15,384	-3.1%
Business Matchmaking	Program Cost (\$000)	N/A	\$434	\$4,622	\$5,602	\$5,585	-0.3%
	Cost per Small Business Assisted (\$000)	N/A	\$54	\$344	\$379	\$377	-0.6%
Subcontracting	Program Cost (\$000)	\$5,621	\$6,104	\$3,408	\$3,290	\$3,149	-4.3%
<b>Total Procurement Assistance Cost (\$000)</b>		<b>\$28,516</b>	<b>\$27,795</b>	<b>\$36,296</b>	<b>\$27,441</b>	<b>\$25,732</b>	<b>-6.2%</b>

a. Funding not requested for FY 2005.

**Goals Exceeded**

<b>Outcome Measure</b> Small Businesses Trained under Prime Contracting Assistance		
<b>Target</b>	<b>Result</b>	<b>Above Target by</b>
10,500	19,894	89%
<b>Reasons for performance result</b>		
Earlier estimates of training demand appear to have been overly conservative.		
<b>Steps being taken to improve performance or targets</b>		
The appropriateness of this metric and consistency with which definitions are applied are being reviewed, as a basis for possible future adjustment of goals.		
<b>Impact of result to program</b>		
This variance has no adverse impact on the program.		

<b>Outcome Measure</b> Small Businesses Counseled under Prime Contracting Assistance.		
<b>Target</b>	<b>Result</b>	<b>Above Target by</b>
10,500	30,618	192%
<b>Reasons for performance result</b>		
Earlier estimates of counseling demand appear to have been overly conservative.		
<b>Steps being taken to improve performance or targets</b>		
The appropriateness of this metric and consistency with which definitions are applied are being reviewed as a basis for possible future adjustment of goals.		
<b>Impact of result to program</b>		
This variance has no adverse impact on the program.		

<b>Outcome Measure</b> Small Businesses Trained & Counseled under Business Matchmaking		
<b>Target</b>	<b>Result</b>	<b>Above Target by</b>
5,403	6,227	15%
<b>Reasons for performance result</b>		
FY 2005 was the first full year of intensive implementation of business matchmaking. During the year, the concept was broadened to include such things as 'virtual matchmaking,' which expanded reach of the program.		
<b>Steps being taken to improve performance or targets</b>		
At this juncture, this metric is being reviewed as a basis for future adjustment of goals.		
<b>Impact of result to program</b>		
This variance has no adverse impact on the program		

<b>Outcome Measure</b>		
Increase number of requirements reviewed for potential set-asides under Prime Contracting Assistance		
Target	Result	Above Target by
59%	23%	360%
Reasons for performance result		
The FY 2005 estimate was very conservative, based on procurement center representative (PCR) staffing levels at the end of FY 2004. During FY 2005, the PCR staffing level was significantly increased, yielding increases in both productivity and production.		
Steps being taken to improve performance or targets		
The consistency with which definitions are applied with regard to this activity are being reviewed as a basis for possible future adjustment of goals.		
Impact of result to program		
This variance has no adverse impact on the program.		

<b>Output Measure</b>		
Participation in interagency working groups under International Trade		
Target	Result	Above Target by
9	16	78%
Reasons for performance result		
SBA was able to surpass its FY 2005 goal of participating with 9 inter-agency working groups by working with 16. The reason behind this success is SBA was approached for support from more agencies than expected.		
Steps being taken to improve performance or targets		
For next fiscal year, the Agency has set a goal of 16 for this element		
Impact of result to program		
More small business exporters were able to benefit from the SBA's programs.		

Department Name	Small Business	Small Business	Total SDB	Total SDB	8(a)	8(a)	Other SDB	Other SDB	HUBZone	HUBZone	Woman-Owned Small Business	Service Disabled Veteran-Owned Small Business
	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual	Goal	Actual
Total Federal	23.00%	23.09%	8.00%	6.18%	3.00%	2.81%	5.00%	3.37%	3.00%	1.60%	5.00%	3.00%
DEPT OF DEFENSE	23.00%	22.27%	5.70%	5.66%	2.60%	2.71%	3.10%	2.96%	3.00%	1.48%	5.00%	2.00%
ENERGY, DEPARTMENT OF	5.06%	4.18%	3.20%	1.39%	2.20%	0.97%	1.00%	0.42%	1.50%	0.13%	3.00%	1.50%
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	16.16%	14.49%	6.69%	6.00%	3.69%	2.34%	3.00%	3.66%	3.00%	0.80%	5.00%	3.00%
HEALTH AND HUMAN SERVICES, DEPARTMENT OF	30.32%	29.63%	16.62%	9.09%	5.50%	2.95%	11.12%	6.14%	3.03%	1.63%	5.05%	3.00%
GENERAL SERVICES ADMINISTRATION	43.00%	42.32%	11.00%	6.43%	5.00%	3.29%	6.00%	3.14%	3.00%	2.18%	5.00%	3.00%
HOMELAND SECURITY, DEPARTMENT OF	23.00%	38.46%	4.80%	9.55%	2.50%	5.01%	2.30%	4.45%	3.00%	2.27%	5.00%	3.00%
AGRICULTURE, DEPARTMENT OF	45.00%	48.98%	10.00%	8.89%	5.00%	3.96%	5.00%	4.93%	3.00%	8.05%	5.00%	3.00%
JUSTICE, DEPARTMENT OF	31.50%	32.79%	15.70%	6.63%	3.70%	1.65%	12.00%	4.98%	3.00%	1.76%	5.00%	3.00%
INTERIOR, DEPARTMENT OF THE	56.14%	53.39%	15.17%	18.20%	6.26%	7.87%	8.91%	10.33%	3.13%	7.76%	5.40%	3.13%
STATE, DEPARTMENT OF	40.00%	50.59%	14.00%	20.11%	7.00%	2.87%	7.00%	17.24%	3.00%	3.86%	5.00%	3.00%
LABOR, DEPARTMENT OF	25.00%	34.96%	10.04%	12.12%	4.84%	1.92%	5.20%	10.19%	3.00%	1.85%	5.20%	3.00%
EDUCATION, DEPARTMENT OF	23.00%	6.74%	5.00%	2.04%	4.00%	0.45%	1.00%	1.59%	3.00%	0.32%	5.00%	3.00%
COMMERCE, DEPARTMENT OF	44.80%	53.25%	16.46%	18.57%	6.11%	4.76%	10.35%	13.82%	3.00%	3.37%	7.80%	3.00%
ENVIRONMENTAL PROTECTION AGENCY	27.00%	29.47%	9.30%	13.59%	6.30%	5.49%	3.00%	8.01%	3.00%	0.69%	5.00%	3.00%
AGENCY FOR INTERNATIONAL DEVELOPMENT	44.25%	1.75%	25.79%	4.39%	1.23%	1.03%	24.56%	3.36%	3.00%	0.02%	5.00%	3.00%
HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	36.13%	72.54%	13.16%	39.70%	6.09%	16.84%	7.07%	22.86%	3.00%	4.83%	15.03%	3.00%
SOCIAL SECURITY ADMINISTRATION	33.50%	43.54%	14.30%	12.65%	8.50%	11.74%	5.80%	0.91%	3.00%	3.04%	5.00%	3.00%
OFFICE OF PERSONNEL MANAGEMENT	19.00%	16.68%	5.60%	2.02%	2.20%	0.08%	3.40%	1.94%	3.00%	0.01%	5.00%	3.00%
EXECUTIVE OFFICE OF THE PRESIDENT	50.00%	11.66%	40.00%	4.28%	15.00%	1.96%	25.00%	2.31%	9.00%	1.11%	9.00%	9.00%
SMITHSONIAN INSTITUTION	50.00%	20.28%	13.32%	7.39%	6.66%	3.32%	6.66%	4.07%	3.33%	1.00%	7.77%	3.33%
SMALL BUSINESS ADMINISTRATION	60.00%	59.13%	36.00%	38.62%	20.00%	13.77%	16.00%	24.85%	3.00%	2.16%	10.00%	3.00%